

Message Text

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42

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AGR-20 IO-13 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 DODE-00 PM-07 H-03 L-03 PA-03 PRS-01

USIA-12 INT-08 TAR-02 RSR-01 /207 W

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R 121545Z JUL 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6246

UNCLAS BONN 9951

DEPARTMENT PASS AGRICULTURE AND COMMERCE

E.O. 11652:N/A

TAGS: EAGR: GW

SUBJECT: FURTHER REACTION TO EXPORT EMBARGO MEASURES

REF: STATE 135419

1. A TELEGRAM FROM THE ASSOCIATION OF GRAIN TRADERS IN HAMBURG (VEREIN DER GETREIDEHAENDLER) WAS RECEIVED 10 JULY 1973 REQUESTING THE U.S. GOVERNMENT RECONSIDER ITS 50 PERCENT - 40 PERCENT RULING REGARDING FULFILLMENT OF VALID CONTRACTS FOR SOYBEANS AND SOYBEAN PRODUCTS. THE SIGNER OF THE TELEGRAM, DR. KEMME, STATED THAT HIS ORGANIZATION BELIEVES THAT IF THE LIMITING MEASURES CANNOT BE RE-SCINDED, FULL COMPENSATION SHOULD BE MADE TO THOSE WHO HAVE SUFFERED FINANCIAL LOSS BECAUSE OF THOSE MEASURES. HE FURTHER REQUESTS THAT THE U.S. GOVERNMENT CONFIRM ITS BASIC READINESS TO SETTELE THE APPLICABLE COMPENSATORY PAYMENTS, OTHERWISE THE MEMBERSHIP, WITH SUPPORT OF THE ORGANIZATION, WILL HAVE TO RESORT TO LEGAL MEASURES.

2. DR. KEMME REPEATED TO THIS EMBASSY THE TEXT OF A TELEGRAM WHICH THE ORGANIZATION SENT TO THE GERMAN FEDERAL MINISTRY OF AGRICULTURE

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ON 7 JULY 1973. THE GIST OF THAT MESSAGE CONTAINED THREE MAIN

POINTS OF EMPHASIS: (A) THE STANDARD CONTRACT BETWEEN GRAIN AND OILSEED EXPORTERS AND IMPORTERS DOES NOT ALLOW FOR RECOVERY OF DAMAGES IN THE INSTANCE OF U.S. GOVERNMENT INTERVENTION; (B) DUE TO U.S. GOVERNMENT INTERVENTION AMERICAN EXPORTERS WILL, WITHOUT HARM TO THEMSELVES, BE RELIEVED OF 50 PERCENT AND/OR 60 PERCENT OF THEIR CONTRACTUAL OBLIGATIONS, WHILE GERMAN IMPORTERS, WHO MUST CONTINUE TO HONOR THEIR CONTRACTUAL OBLIGATIONS... WITH SUPPLIES FROM OTHER SOURCES AT SUBSTANTIALLY HIGHER PRICES... ARE FORCED TO SUFFER LOSSES THROUGH NO FAULT OF THEIR OWN; AND (C) WITH ITS EXPORT RESTRICTIONS THE UNITED STATES HAS TURNED FROM FREE COMMERCE TO A CONTROLLED ECONOMY AND APPARENTLY PLANS TO SHIFT THE BURDEN OF THIS MOVE TO THE INTERNATIONAL CUSTOMER. SEVERAL MONTHS AGO THE U.S. ATTEMPTED, BY MASSIVE PRESSURE, TO FORCE THE SALE OF GREATER QUANTITIES OF AGRICULTURAL PRODUCTS TO THE EC. IF NOW THE AMERICAN GOVERNMENT IMPOSES EXPORT RESTRICTIONS ON DOMESTIC POLITICAL GROUNDS, THEN THAT GOVERNMENT ASSUMES THE RESPONSIBILITY FOR THE RESULTING SUBSEQUENT DAMAGES AND THEREFORE FOR THE PAYMENT OF APPLICABLE REPARATIONS TO THE INJURED PARTIES. SHOULD THE AMERICAN GOVERNMENT NOT BE PREPARED TO DO THIS, THEN LEGAL AVENUES WILL BE INVESTIGATED.

3. AT THE CLOSE OF HIS TELEGRAM TO THE EMBASSY, DR. KEMME EXPRESSED THE HOPE THAT, IN CONSIDERATION OF THE DECADES-OLD AMICABLE AND FREE COMMERCIAL RELATIONS BETWEEN THE U.S. AND THE FEDERAL REPUBLIC, A WAY FOR AN UNHINDERED EXCHANGE OF GOODS IN THE FUTURE MAY BE FOUND.HILLENBRAND

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